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Inside this issue:

Nobody Does it Better than SBA 1

Coaches Corner 2

Cash Flow Limiting Goods Flow 3

More Businesses Now Eligible for SBA Financing 3

Lenders Roundtable 3

SBA Training and Workshop Schedules 4

Nobody Does it Better than SBA

Region IV Administrator Nuby Fowler

Make no mistake about it, SBA, and our family of lending and technical assistance partners, create opportunity for thousand of small businesses each year. Not only are we helping business owners fulfill their individual dreams – a worthwhile endeavor itself, our programs foster job creation, economic expansion, and the development of wealth in communities that in the past have been left on the economic sidelines. Look no further than the number of businesses we directly impact with a loan guarantee or training program, coupled with the fact that we experience real growth in our programs year after year and it is not a stretch to conclude that we are doing something right.

For those of us who see first hand the benefits of SBA backed programs day to day, it is hard to imagine how different the results would be for many an entrepreneur if SBA were not around. Over the recent holidays, I had occasion to see the Frank Capra classic “It’s a Wonderful Life.” Everyone knows the story of good-guy George Bailey who followed duty and responsibility rather than personal ambitions. After concluding that his life has been a pointless mess, George’s guardian angel saves the day by showing him how vitally important he has been to family, friends, the whole town of Bedford Falls, and beyond. George is such a fitting metaphor for SBA. Like him, we quietly do our

work, helping individuals live out the American Dream, create employment opportunities for those who may otherwise be unemployed, helping families and businesses recover from disaster, all with little credit or fanfare coming our way.

As I have traveled the southeast, meeting with SBA staff and our partners, I am always impressed by the visible results of SBA programs. City streets dotted with businesses that got their start thanks to SBA, products and services that would not exist, except for SBA, and communities once devastated by disaster that owe their recovery, at least in part, to SBA. Now picture how things would be different had we not been there. Like George Bailey, I suspect we would see a big difference.

The SBA Office of Advocacy’s 2005 report on “The Small Business Economy” confirms what most of us already know; entrepreneurship is embedded in the American culture and a cornerstone of our economic strength. The fact that SBA exists reflects the country’s belief that it is in everyone’s best interest to encourage the growth of small businesses.

Nobody does that better than SBA!

Coach's Corner

SBA'S "FULL COURT PRESS" RESPONSE TO GULF COAST HURRICANES

Contrary to what you may see in the press, SBA has a "Full Court Press" level of recovery assistance activity going to help those impacted in the Gulf Coast Hurricane region. As you know, the combined effects of Hurricanes Katrina and Rita created the largest natural disaster ever to hit the United States. This has generated an unprecedented demand for recovery assistance.

For the record, there is a huge difference between SBA's disaster loan program and the assistance provided by FEMA. SBA's disaster loans are intended for the long-term rebuilding and reconstruction of damaged homes and businesses. FEMA, on the other hand, provides financial assistance through grants.

SBA's Office of Disaster Assistance has effectively ramped up from 880 staff members before the hurricanes hit to approximately 4000 employees today. By the third week in January, the SBA had approved over \$3 Billion in disaster loans to over 43,000 homeowners, renters and businesses in the affected region and its record setting pace of loan approvals continues to build momentum and efficiency.

SBA is committed to the long-term reconstruction and recovery of the Gulf Coast Hurricane region. We recognize that this recovery effort will most certainly be a long-term effort measured in years rather than months. For more information on SBA's disaster programs, click here:http://www.sba.gov/disaster_recov/hurricanes



Steve Ayers
Head Coach, KY District Team



Cash Flow Limiting Goods Flow!

Small Business Administration (SBA) may have the solution for your clients. Our **Export Working Capital guaranteed loan program** allows your bank to advance funds to fill confirmed export orders. SBA guarantees 90% of the loan from your bank to fill a single transaction or to fill multiple orders on a revolving line of credit. This may allow you to approve a line with only the transaction as collateral and not tie up the other assets of your client. The lines are usually in place for 12 months and are renewable. While loans typically can be as low as \$100,000 with an average of \$300,000 to \$400,000, the maximum loan can be as much as \$1,666,666. And with our relatively new co-guaranty agreement with the Export/Import Bank, we can provide a 90% guaranty on loans up to \$2,000,000. Our guaranty fee is a nominal ¼ of 1% of the guaranteed amount.

An applicant must have been in business at least one full

year, not necessarily exporting, and be an eligible small business by SBA's size standards. We will review the company's ability to produce and deliver the product involved in the order as well as the foreign buyer's method of payment and your client's financial situation. Once you submit an application, SBA only takes 3-7 days to provide a written approval. And once the line is in place, you make advances by merely having your client present a purchase order, letter of credit, or contract without any further review by SBA.

For additional details please contact SBA's representative in the Atlanta USEAC, Ray Gibeau at 404-897-6089 or email at raymond.gibeau@sba.gov. You can also find information on SBA's website www.sba.gov/oit and then click on export finance.

More Small Businesses Now Eligible for SBA Financing

The SBA has adjusted its dollar-based small business size standards, which are based on receipts, to reflect inflation that has occurred since February 2002. Effective December 6, 2005 for loans and January 5, 2006 for federal procurement contracts, this change will restore eligibility to businesses that lost their status since the 2002 last change date.

from \$6 million to \$6.5 million, which is the familiar "anchor" size reference. Size standards that are higher than \$6 million also reflect similar percentage increases.

For more information on the size standard and general eligibility questions, call the Kentucky District Office Financial Assistance Division at 502/582-5971 or see

The size standard for most retail businesses has increased <http://www.sba.gov/size/indexwhatsnew.html>

Lenders Roundtable

On January 17th, Mike Hagar, SBA's Associate Deputy Administrator of Capital Access and Nuby Fowler, our Regional Administrator hosted 25 Kentucky bankers at a Lenders Roundtable meeting. Mike Hager presented an update on SBA programs and answered questions from the group. Although Mike had to return to Washington a little early for a meeting at the White House that same day, we appreciate him being with us. The District Office is planning to hold quarterly

Roundtable meetings as an open platform to evaluate SBA's service to our lenders. We want to thank National City Bank for providing a meeting room for the group on the 38th floor of their beautiful Kentucky headquarters building in Louisville.





U.S. Small Business Administration
Room 188 Mazzoli Federal Building
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Louisville, KY 40202

2006 Lender Training Schedule

Contact Phil Danhauer, 502.582.5961 x243 or phillip.danhauer@sba.gov for more information.

Date	Training Program	Presented By	Location
February 16th	Loan Eligibility/Underwriting, Loan Closing & 1502 Reporting	Karen Wright/Phil Danhauer	KDO Seaside Room
March 16th	Servicing, Liquidations & Guaranty Purchases	Karen Wright/Diana Hurley	KDO Seaside Room
April 20th	Selling Loans in the Secondary Market/504 Loan Program	Phil Danhauer/CDC's	KDO Seaside Room
May 18th	The 7(a) Application	Robert Coffey	KDO Seaside Room
June 15th	Export Financing Export Express, EWCP & IT Loans	Robert Coffey	KDO Seaside Room
July 20th	Loan Eligibility/Underwriting Loan Closing & 1502 Reporting	Karen Wright/Sandi Preston & Diana Hurley	KDO Seaside Room
August 17th	Servicing, Liquidations & Guaranty Purchases	Karen Wright/Diana Hurley	KDO Seaside Room
September 21st	The 7(a) Application	Robert Coffey	KDO Seaside Room
October 19th	Loan Eligibility/Underwriting Loan Closing & 1502 Reporting	Karen Wright/Sandi Preston & Diana Hurley	KDO Seaside Room
TBD	504 Program	CDC's	Northern KY
TBD	504 Program	CDC's	Paducah
TBD	7(a) Application/Loan Eligibility/ Underwriting/Loan Closing	Phil Danhauer	Paintsville/Prestonsburg
TBD	7(a) Application/Loan Eligibility/ Underwriting/Loan Closing	Robert Coffey	Bowling Green
TBD	7(a) Application/Loan Eligibility/ Underwriting/Loan Closing	Karen Wright	Paducah

Small Business Development Days Schedule

Date	Location	Address	Contact	Phone and email
2.28.2006	Berea College	Berea, KY	Arch McAlister	606.677.1713 archmcalister@alltel.net
4.5.2006	Morehead State University	Morehead, KY	Arch McAlister	606.677.1713 archmcalister@alltel.net
8.1.2006	The Center for Rural Development	Somerset, KY	Arch McAlister	606.677.1713 archmcalister@alltel.net

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